

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Handlooms and Textiles – Margin Money Assistance - Sanction of Margin Money Assistance of Rs.50.00 Crores as working capital to APCO – Release of Rs.23.06 Crores duly deducting dues of Rs.19.94 Crores – Administrative sanction - Accorded – Orders – Issued.

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INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Rt.No.353

Dated:02-06-2012

Read the following:-

1. From the CH&T, Hyderabad, Lr.No.12949/2010-A, dt:8-2-2011 and Dt.26-02-2011.
2. From the VC&MD., APCO, Hyd Lr. No. NCDC Loan /2011/1962, dt.29.09.2011.
3. Govt.Letter No.2015/Tex.2/2011. Dated 07-01-2012, addressed to the Managing Director, NCDC, New Delhi.
4. From the NCDC, Lr.No NCDC-4-1/2011-Text(HLM)/360/SA10238, dt.24-02-2012.
5. From the NCDC, Lr.No NCDC-A&C/1(Rel)/AP/2011-12, dt.01.03.2012, Dt.05.03.,2012 and Dt.20.03.2012.
6. Govt. Lr.No.2510/Tex.(2)/2011, dt. 13.03.2012.
7. G.O.Rt.No.2488, Finance ( Exp.I&C) Department, dated 18.05.2012.

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O R D E R

In the references 1st read above, while forwarding the loan application in the prescribed proforma of Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad for sanction of Margin Money Assistance of Rs.50.00 Crores to Government, the Commissioner of Handlooms & Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has requested to consider the proposal and to recommend to the National Co-operative Development Corporation along with Government Guarantee for release of Rs.50.00 Crores as advance, since, the APCO is in dire need of funds to take up the production of Rajiv Vidya mission and welfare Department indents, as requested by the VC&MD., APCO, and also requested to release the funds, pending sanction from the NCDC.

2. In the reference 2<sup>nd</sup> read above, the VC&MD., APCO, Hyd has stated that the Government has remitted an amount of Rs.19.94 Crores towards 1<sup>st</sup> and 3<sup>rd</sup> installments in respect of 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> & 4<sup>th</sup> loans to the NCDC, New Delhi on behalf of APCO and hence requested the Government to deduct the sanction amount from the Margin money Loan assistance and arrange to release the balance amount.

3. In the reference 3<sup>rd</sup> read above, while forwarding the loan application in the prescribed proforma of Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad the Govt. of A.P. has requested the NCDC for sanction and release of Rs. 50.00 Crores so as to enable to release an amount of Rs.31.06 Crores to the APCO, duly deducting the amount of Rs.19.94 Crores, which was already paid by the Government of A.P. on behalf of APCO towards installments and as agreed to by the Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO).

4. In the reference 4<sup>th</sup> read above, the Managing Director, NCDC has conveyed the sanction of financial assistance of Rs.50.00 crores comprising of Rs.40.00 crores as loan and Rs.10.00 crores as subsidy, (subject to availability of subsidy from Government of India) under the conditions as laid down in their Lr. dt.24-02-2012, as follows:

- (i) that the society shall furnish to the Corporation such returns, statements of accounts and other information, as may be prescribed or called for by the Corporation from time to time;
- (ii) that the society shall allow and afford facilities to the officers of the Corporation or any other person or persons nominated by it in this behalf to verify and inspect its books of accounts and other records; and

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- (iii) that the society shall make arrangements to the satisfaction of the Corporation for the appointment of suitable administrative and technical/ senior personnel for the business of the society.

5. The repayment schedule to the above sanction is for a period of 5 years and shall be recoverable in 5 annual equal installments along with interest; loan instalment will commence from the 1<sup>st</sup> anniversary of the deemed date of drawal of loan along with interest. There will be no moratorium on repayment of loan and on payment of interest. The interest shall be levied at the rate prevailing at the time of actual release of funds and the present effective rate is 12.75%. In case of payment of instalment is not received on or before due date, normal rate (effective + 1%) would be applicable. In case of default in payment of instalment, penal interest @ 2.5% over and above the normal rate of interest shall be charged on the defaulted instalment for the period of delay. The other terms and conditions of the Corporation shall be according to NCDC Ir.No. NCDC:1-1/84-Budt, dated 15.10.1984 and No. NCDC:1-1/1990-Budt, dated 01-08-2011 and as amended from time to time.

6. The above loan assistance can be foreclosed and the loan assistance recovered from the Society concerned, if :-

- (i) it is not utilized for the purpose for which it has been sanctioned;
- (ii) the society fails to furnish the returns, statement of accounts and other information as may be prescribed or called for by the Corporation from time to time; and
- (iii) if any of the other conditions are not fulfilled.

7. The sanction is valid up to 31.12.2012, by which date the State Government shall provide full assistance to the Society and claim reimbursement from the National Co-operative Development Corporation.

8. Accordingly, in the references 5<sup>th</sup> read above, the M.D., NCDC, New Delhi has forwarded two cheques for Rs.19.94 cr and Rs.23.06 crores towards release of loan/subsidy for providing margin money assistance to the APCO Ltd., Hyderabad.

9. In the reference 6<sup>th</sup> read above, the Managing Director, National Co-operative Development Corporation, New Delhi was requested to release the remaining balance of Rs. 30.06 Crores, duly deducting the arrear amount of Rs.19.94 Crores, out of sanction of Rs.50.00 Crores.

10. In the reference 7<sup>th</sup> read above, the Finance ( Exp.I&C) Department have issued a Budget Release Order for an amount of Rs.23.06 Crores vide G.O.Rt.No.2488, Finance ( Exp.I&C) Department, dated 18.05.2012.

11. After careful examination of the matter, and keeping in view of the Budget Release Order issued by the Finance ( Exp.I&C) Department in the reference 7<sup>th</sup> read above, Government hereby accord sanction for Rs.50.00 Crores (Rupees Fifty Crores only) as working capital to APCO and hereby release an amount of Rs.23.06 crores (Rupees Twenty Three Crores and Six Lakhs only), duly deducting the arrears of Rs.19.94 crores, which were paid by the Government on behalf of APCO and as agreed to by the Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO).

12. Out the above sanction, the expenditure of subsidy amount of Rs.10.00 crores (Rupees Ten Crores only) shall be debited to the following Head of Account:-

“2851 - Village and Small Industries  
MH.103- Handloom Industries  
11 - Normal State Plan  
SH(38)- Financial Assistance for Handloom and Textile Promotion  
310 - Grant-in-aid  
312 - Other Grants-in-aid”

13. The expenditure of loan amount of Rs.40.00 crores shall be debited to the following Head of Account:-

6860 – Loans for consumer industries  
01 – Textiles –  
MH-101 – Loans to Cooperative Spinning Mills  
G.H.10- Centrally Sponsored Schemes  
S.H.05- Margin Money to Co-operative Spinning Mills  
001- Margin Money to Cooperative Spinning Mills

14. The Deputy Secretary to Government, Finance (DCM) Department, Andhra Pradesh Secretariat, Hyderabad is authorized to draw & disburse the loan amount of Rs.23.06 Crores sanctioned in para (9) above by way of a cheque in favour of Director of Handlooms, Textiles and Apparel Export Parks, Hyderabad and handed over to the Director of Handlooms, Textiles & Apparel Export Parks, Hyderabad.

15. The Director of Handlooms, Textiles & Apparel Export Parks, Hyderabad shall furnish the Utilization Certificate within one month from the date of drawal of the amount to the Office of the Managing Director, National Co-operative Development Corporation (T-Series), New Delhi, under intimation to the Government.

16. The Director of Handlooms, Textiles & Apparel Export Parks, Hyderabad / concerned Drawing & Disbursement Officer is authorized to draw the subsidy amount of Rs.10.00 Crores sanctioned in para (12) above and disburse the same to the concerned by way of a cheque. The Director of Handlooms, Textiles & Apparel Export Parks, Hyderabad shall furnish the Utilization Certificates within one month from the date of drawal of the amount to the Managing Director, National Development Corporation, New Delhi.

17. The Director of Handlooms, Textiles & Apparel Export Parks, Hyderabad / Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad shall deduct the loan instalment amount sanctioned above from the concerned Society and remit the same to the State Government Account, under Loan Receipt head, on due dates under intimation to the National Co-operative Development Corporation, New Delhi, as detailed below:-

0049- Interest receipts  
04- Interest receipts of State Government  
195- Interest from Co-operative Societies  
SH-14 APEX & Primary Weavers Coop. Societies.

18. This order issues with the concurrence of Finance (Exp.I&C.) Department, vide their U.O.No.11131/168/Exp.I&C/2012, Dt.18.05.2012 and Budget Release Order issued in G.O.Rt.No.2488, Finance ( Exp.I&C) Department, dated 18.05.2012.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

D.SREENIVASULU  
PRINCIPAL SECRETARY TO GOVERNMENT

To  
The Director of Handlooms, Textiles & Apparel Export Parks, Hyderabad  
The Assistant Secretary to Government, Finance (DMC) Department.  
The Vice-Chairman and Managing Director,  
Andhra Pradesh State Handloom Weavers Co-operative  
Society Limited (APCO), Hyderabad through  
the Director, Handlooms & Textiles and Apparel Export Parks,  
Andhra Pradesh, Hyderabad.  
The Managing Director,  
National Co-operative Development Corporation ( NCDC),  
4, Siri Institutional Area, Hauz Khas, New Delhi.  
The Chief Director, National Co-operative Development Corporation,  
2nd Floor, HACA Bhavan, Opp. Public Gardens, Hyderabad.

Copy to:

The Finance (Exp.I&C) Department  
The Accountant General Andhra Pradesh, Hyderabad.  
The Pay and Accounts Officer, Hyderabad.  
The Director of Treasuries of Accounts, Andhra Pradesh, Hyderabad.  
Stock File/Spare Copies.

// FORWARDED BY: ORDER//

SECTION OFFICER.